

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 25, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP ~~SUNDERLAND~~, CITY MANAGER

SUBJECT: BUDGET MEMO # 17 : CITY APPROPRIATION TO THE ALEXANDRIA CITY PUBLIC SCHOOLS

This memo responds to Councilwoman Woodson's request for an explanation of the Proposed Budget's recommendation to reduce the City appropriation to fund the Alexandria City Public Schools (ACPS) operating budget by \$960,184 from the ACPS request. It also puts in perspective the proposed budget in relation to the March 23rd letter from the School Board Chairman to City Council (Attachment 1).

There are 4 reasons why the Proposed Budget recommends \$960,184 less than the budget requested by ACPS.

- The percentage growth in the ACPS operating budget would still exceed that for City operations. The proposed City appropriation of \$132,578,157 for the schools is a 9.4 percent increase. It includes \$2.3 million for an equivalent 2.0 percent Cost of Living Adjustment for schools employees. The equivalent rate of increase for City operations (not including debt service, cash capital and contingent reserves) is 8.0 percent. Excluding the COLA, the School Board's requested amount reflects an increase of 7.5 percent while the equivalent increase for City operations (not including debt service, cash capital and contingent reserves) is 6.8 percent.
- The growth in the ACPS budget will be sufficient to fund current services and programs. The Proposed Operating budget provides the schools with an \$11,386,823 increase. This is roughly sufficient to provide funds for the increases necessary to maintain current services and programs such as:

• VRS employer contribution rate increase to 7.82%	\$3,520,000
• Step Increases	\$3,194,223
• COLA of 2.0%	\$2,300,000
• Reserve for Teacher's and Paraprofessionals	\$726,609
• Health insurance employer contribution increase (+10%)	\$640,000

- Textbook Adoption–Science \$565,081
- No Child Left Behind – Adequate Yearly Progress Mandates \$428,759
- Triennial Census costs \$65,210

- After other adjustments for financing and reductions proposed by the School Board due to an anticipated enrollment decline, closing of one-time projects, efficiencies and staffing reductions, the City calculates that a total of \$3.1 million is available to fund approximately 77 percent of the School Board’s new initiatives totaling \$4.0 million. The School Board would have to prioritize the following new initiatives under the Proposed Budget within this amount:

- Leasing Laptops for grades 10 to 12 \$1,828,464
- Support staff salary realignment \$500,000
- Modified school calendar \$365,105
- Elementary math specialists \$318,732
- Jefferson-Houston Initiative \$225,000
- Staff development \$216,334
- T.C. Williams construction project management \$198,566
- Differentiated resources \$109,800
- Kindergarten preparation program expansion \$105,684
- AP test funding \$70,000
- Performance evaluation program \$64,812
- Laptops for Grade 9 (cost increase over base) \$16,579
- Parent and family involvement \$10,000
- Listening centers at Hammond Middle School \$4,479

- In addition, the School’s VRS costs are based on a contribution rate of 7.82%, and this is likely to be more than needed. Based on budget proposals currently being debated by the General Assembly, the rate is likely to be lower. The Governor and the Senate proposed a rate of 6.56 percent, and the House a rate of 6.03 percent. If a rate lower than that budgeted by the Schools is agreed to by the General Assembly, savings to the Schools could exceed the \$960,184 cut proposed. The City Manager has proposed to the City Council that it allow the ACPS to keep up to the \$960,184 in savings should this lower rate materialize. This is also explained in Budget Memo # 9.

Attachment

cc: Rebecca Perry, Superintendent, ACPS

MEMORANDUM

2004 MAR 23 P 3:39

TO: The Honorable William D. Euille, Mayor, and Alexandria City Council Members

FROM: The Honorable Mark O. Wilkoff, Chairman, and Alexandria City School Board Members *MOW*

RE: Proposed City Manager's Budget for FY 05

DATE: March 23, 2004

At the March 18 meeting, the Alexandria City School Board and Superintendent Rebecca Perry expressed concern about the proposed City Manager's Budget for FY 05. We are aware that the City faces increased costs to maintain current services and programs, much like the Alexandria City Public Schools. That is why before the Superintendent submitted her budget to the School Board in January, she cut 17 positions and the central office budgets resulting in a savings of \$998,000. While we are pleased that the City Manager has chosen to include funding for the majority of the Board's request, we are troubled about the remaining unfunded amount of \$960,000.

We enthusiastically endorse the City Council's strategic goal of achieving excellence in education and applaud the Council's commitment to ensure the vitality of our city through our schools. However, the city will not realize this goal without the full funding of the School Board's operating budget request. If we are unable to put in place educational changes to meet the needs of our children and continue our successful programs, educational quality cannot improve. If nearly \$1 million of our request remains unfunded, it will result in cuts to new or existing academic programs. Even existing successful programs such as differentiated resources, athletics, talented and gifted, and low class size will be in danger.

Each year we face new challenges to raise student achievement while meeting increasing unfunded government mandates. These mandates include the Virginia Retirement Contribution increase, the triennial census, and the No Child Left Behind requirements. Additionally, routine costs of utilities, rents, and insurance go up every year. Our special needs population continues to grow and over the last five years, the number of students receiving English as a Second Language services has nearly doubled. Initiatives such as the elementary math specialists, modified school calendar, and kindergarten prep program expansion, as well as our current successful programs, are absolutely critical to ensuring that all children can achieve at the level required by the No Child Left Behind law. Additionally, expanding the laptop initiative will enable us to make the most efficient use of our technology dollar, reduce the digital divide, meet on-line testing requirements and prepare our youth for their future.

The Superintendent and School Board were mindful and responsible in crafting a budget for the coming year. Our entire budget supports increasing student achievement through excellent academic programs and high quality staff. We urge the City Council to choose to support the students and employees of the Alexandria City Public Schools by fully funding the School Board's budget request.